Project Overview
January 21, 2008 MeCMS Repair Bundle
Cost of Care, Copayment, Modifiers, and Edits Processing Failure

Please Note: Cost of Care and Copay changes discussed below will apply to issues from the January 21st date of implementation forward. Complications from claims processed prior to the date of implementation will be addressed in a later communication from the Department of Health and Human Services. Any adjustment required to correct these claims will not occur until the implementation of the Adjustment Functionality Initiative scheduled for this coming spring.

The January 21, 2008 scheduled MeCMS Repair Bundle is projected to correct some of the inaccuracies that currently exist in MeCMS to include some Cost of Care, Copayment, Modifiers and Edits Processing Failure (EPF) issues. The following is a synopsis of the changes that will be effected by these four (4) initiatives.

Cost of Care Initiative: These issues affect the Nursing, Custodial Care & Residential Provider Type: This includes **Nursing Facilities, Residential Care Facilities, Assisted Living and Adult Family Care Homes.**

Not all of the inconsistencies in the Cost of Care (CoC) data will be addressed in this Repair Bundle. Issues that complicate MaineCare's ability to "fix" all CoC data problems and the data's accurate application in the claims process are addressed below. The logic rules in MeCMS for Cost of Care are being changed in order to achieve more accurate data and, therefore, more accurate calculations of these Member Responsibilities in claims processing.

Providers are reminded **not to enter** the member's anticipated Cost of Care amount, since it will be automatically deducted in the claims process.

1) Cost of Care is generally volatile in that it is based on income that changes constantly. In many cases, these changes are discovered after the fact and applied retroactively. Therefore, the Cost of Care in the Medicaid Management Information System **(**MMIS) at the time the claim is processed is not necessarily the Cost of Care that was effective at the time of the Date of Service (DOS). For example, Cost of Living Adjustments (COLA's) are made to members' income in December and are often not revised until the first quarter of the following year, as these changes are made known to the eligibility workers. In some cases, there may be multiple changes to income in a short period. The result is that providers might receive a Cost of Care letter from a member that has already been superseded by a subsequent letter.

Once the Adjustments Initiative is implemented, if providers question a claim that is processed at a different Cost of Care rate than was expected, they should contact Provider Services at 1 (800) 321-5557, Option 9. Staff will validate the correct cost of care in order to resolve the problem. **This issue will always be present and cannot be "fixed."**

Please Note: There was a problem in MeCMS that did not allow many of the retroactive Cost of Care assessment changes to pass into MeCMS. **This was fixed earlier this year.**

2) There are several computer systems involved in feeding eligibility data into MeCMS (Maine Claims Management System) in order for it to process MaineCare Claims. "ACES" (Automated Client Eligibility System) is the current computer system that is used by Eligibility Staff to determine member eligibility for MaineCare benefits. This system was originally intended to replace the legacy eligibility system known as "WELFRE" and feed eligibility data directly into MeCMS. However, technical issues prevented the complete replacement of the "WELFRE" system, and as a result, "ACES" feed its eligibility data through "WELFRE" which, in turn, feeds this information through to MeCMS.

Unfortunately, the "WELFRE" system has Cost of Care assessment data limitations as follows:

- Only 3 records of history are available for Boarding Home Cost of Care Assessments
- Only 5 records of history are available for Nursing Home Cost of Care Assessments
- There are no End Date fields for Cost of Care Assessments
- There is no Start Date field for the first instance of the Boarding Home Cost of Care Assessment
- There has not been a reconciliation of Cost of Care data between "ACES" and "WELFRE."

Accurate Cost of Care assessments in "ACES" that are being passed into "WELFRE" are subject to these data restrictions resulting in inaccurate assessment data in MeCMS. Logic will be built into MeCMS to create the dates that "WELFRE" is unable to store. For instance, a logic rule will be implemented to use **1/1/1990** for the "missing" start date for the first boarding home Cost of Care assessment and to create end dates that are **one (1) day prior to the next sequential start date.** In most cases, these dates will match the true start and end dates in "ACES" and will allow claims to be processed correctly, but not always. **The logic rules to "create" assessment dates will be implemented with this repair bundle as described in Item #3 below.**

Once the Adjustments Initiative is implemented (spring 2008), in the instance that a claim is thought not to have processed correctly due these "logical" dates, providers should contact Provider Services at 1 (800) 321-5557, Option 9. In these cases, staff will be assigned to research the appropriate Cost of Care and a State Medical Support Specialists (formerly, Adjuster) will be able to adjust the Cost of Care manually.

There is currently no scheduled date to repair the data in "WELFRE," but a repair is being pursued. **This current repair bundle will not correct "WELFRE" limitations to history, missing fields, or synchronize the data between "WELFRE" and "ACES."**

3) In order to deal with the current limitations in "WELFRE," logical rules will be implemented to create a workable first start date for Boarding Home Cost of Care assessments and end dates for all Cost of Care. **These logic rules will be implemented as part of the repair bundle.** One of the consequences of creating these rules is that the MeCMS dates will not always match the dates in "ACES." Further, "ACES" may have more Cost of Care history than can be stored in "WELFRE." Claims that should be applied Cost of Care amounts no longer stored in "WELFRE," and therefore, no longer in MeCMS, will **not** pay correctly. Claims that do not process correctly for Cost of Care as a result **will need to be researched individually** for accuracy. If providers believe the Cost of Care assessment used by the State is wrong, they should contact Provider Services at 1 (800) 321-5557, Option 9. Staff will be assigned to validate the correct cost of care dates in "ACES" in order to resolve any existing problem.

4) There are currently some instances where Nursing Home Assessment date "feeds" interfere with Boarding Home Assessment dates. **This issue will be "fixed" with this initiative.**

Cost of Care Effect on Copayment Exemptions: There is a Copayment rule that exempts individuals with Cost of Care assessments from Copay requirements. MeCMS logic applies these rules by "looking-up" the member Cost of Care. The result is that members with Cost of Care assessments in the system are assessed as copay exempt. Because no end dates exist in "WELFRE," assessments that are actually end-dated are still being fed to MeCMS as open assessments. In addition, because there has not been any reconciliation between "ACES" and "WELFRE" Cost of Care data, some legacy cost of care assessments that still read as open in "WELFRE" are actually closed. The result is that some members who should **not** be copay exempt are wrongly determined to be so. **These issues will not be repaired with this initiative.** They will be fixed when the limitations in "WELFRE" are fixed and there is a reconciliation between "ACES" and "WELFRE."

Copayment Initiative: Copayments affect the following Provider Types: **Behavioral Health Services; Chiropractic Services; Eye & Vision Services; Pharmacy/DME/ Supplies; Podiatry; Rehabilitative & Restorative Services; Speech, Language and Hearing Services; Ambulatory Health Care Facilities/Clinics; Prospective Payment Hospitals (In State); Laboratory Services; Transportation/Ambulance; Home Care Services; and Medical Imaging.** Copays also apply to **HIV Waiver Services** and **Maine Eye Care Services.**

Copayment rules are defined in MaineCare Policy and applied according to the General Rules in *Chapter I - General Administrative Policies and Procedures* and in *Chapter II - Specific Policies By Service*. Not all specialties and sub-specialties for the Provider Types listed above are affected by Copayment rules. P**roviders are encouraged to review the Policies under which they are reimbursed** in order to verify their specific Copayment requirements. These can be found at http://www.maine.gov/sos/cec/rules/10/ch101.htm.

Rules for determining Copayment exemptions, dates for member exemptions, maximum daily and maximum monthly Copayments and other business logic are being repaired to calculate Copayment responsibilities more accurately. Copayment exemptions in MeCMS can occur in either the Member Sub-system or the Claim Sub-system.

This initiative establishes a "Hierarchy" of Copay exemptions in the Member Record to simplify the logic used in establishing these exemptions and adjusts the logic in the Claims Record accordingly.

Exemptions logically attached to Member Records are as follows in Hierarchical order:

1. Manual Copay Exemption (Certain Behavioral Health and Elderly Services)
2. Member is Native American
3. Member is under 21 years old
4. Member is Pregnant
5. Nursing Home or Boarding Home Assessment record(s) exist(s) for member
6. Member is in State Custody

Exemptions that exist in Member Records are available to Providers in the Interactive Voice Response (IVR) system (800) 321-5557, Option 2. Claims Sub-system information is not available in the IVR.

The changes in this initiative will correct Copay exemptions that have been granted in instances when they should not have been, the result being that **some members** who have **not** been assessed Copayments in the past **will now be subject to Copays.**

Changes in the Claims Sub-system will ensure that exemptions are calculated according to MaineCare Policy, and that dates of services and daily/monthly maximum Copayments are taken into consideration when calculating Copayments.

Some issues that will be repaired include:

1. Institutional claims with a frequency type "5" (Late Charges) will be exempt from Copayments.
2. Claims Copayments calculations will not result in "negative" reimbursed amounts
3. DME Supplies will be Copay exempt
4. Billing providers having a business status of "Prospective Payment"(in-state hospitals) shall have Copayments deducted per Policy requirements
5. A $10 copay will apply for HIV Waiver members when office visits to physicians are made. This copay will only apply to office visit procedure codes, and only when the office visit is provided in place of service "11" (office). Other procedure codes, such as lab work, performed by the physician are exempt from co-payment.

If providers believe there is a discrepancy in a member copay calculation, they should contact Provider Services at 1 (800) 321-5557, Option 9, to report it.

It has come to our attention that some providers have been reducing their charges to MaineCare by the member copay amount or entering the copay amount in the Third Party Liability/Patient Responsibility block in order to compensate for the lack of copay functionality in MeCMS. Providers are reminded **not to enter** the member's anticipated copay amount, since it will be automatically deducted in the claims process. Continuing to do so after the January 21, 2008 implementation date will result in lower claim reimbursements by the Copayment amount. **Providers are advised to discontinue this practice immediately.**

Other providers, such as Physical Therapy, Occupational Therapy, and Speech Therapy, have been rolling more than one date of service into a single claim line. Continuing this practice after January 21, 2008 will result in Copayment calculations being understated. **With the implementation of this initiative, providers should ensure that only one service date is reported per claim line.**

Modifiers Initiative: Modifiers affect the following Provider Type: **Physicians, Nurse Practitioners and Physician's Assistants.** The modifiers initiative will ensure that the modifier and pricing rules will follow MaineCare Policy when claims are processed. The result will be that more claims will be paid automatically.

Modifier rules are defined in MaineCare Policy and applied according to *Chapter II - Specific Policies By Service* and *Chapter III - Allowances for Services.* **Providers are encouraged to review the Policies under which they are reimbursed in order to verify their specific Modifier and Pricing regulations**. These can be found at http://www.maine.gov/sos/cec/rules/10/ch101.htm.

This initiative will include the following:

- Anesthesia and Radiology pricing modifiers will be processed as outlined in Policy
- Modifiers submitted on a claim will be processed in the order submitted on the claim instead of being numerized/alphabetized. As a result, modifiers will be listed on the Remittance Advice (RA) in the same order as they were submitted on the claim.
- When multiple modifiers appear on a claim, the pricing modifier(s) shall determine the price of the claim regardless of the order of the modifier on the claim.
- Nurse Practitioner (060), Registered Nurse (217), Nurse Midwife (053), LPN Servicing (199), Physician Assistant-Servicing Only (108) and Physician (006) will be allowed to bill with Assistant Surgeon modifiers to include 80, 81, 82 and AS.
- As identified in MaineCare Policy, effective with Date of Service 06/01/07 forward, Radiology codes 78491, 78492, 78608, and 78609 will now reimburse correctly at a 90%/10% for the Professional Component (26)/Technical Component (TC). (As opposed to the previous 80%/20%)

Once the modifier initiative has been implemented, claims should be submitted using appropriate and applicable modifiers. However, providers who have been using a "22" modifier as a work-around to allow claims with anesthesia modifiers (QK and QX) to be processed manually, should continue to do so **until specifically notified by MaineCare to discontinue its use.**

Providers are reminded to continue submitting claims for Prior Authorized services with modifiers in the same order as they appear on the PA. (Please note: Claims for Prior Authorized services must match the authorizing PA exactly.)

Edits Processing Failure (EPF) Initiative: **EPF claims affect all Provider Types.** This initiative will not eliminate all claims currently held in an Edits Processing Failure (EPF) status. Those being resolved with this initiative are summarized below. Please note: On an on-going basis, many other claims with an EPF status are eliminated through routine operational efforts outside the scope of this initiative.

Problems have been identified in MeCMS regarding blanket prior authorizations (PA) for legacy claims and for duplicate blanket PA's in general. The result has been that logical conflicts in MeCMS have led to claims being held in EPF status. **This initiative will create systemic changes that will prevent duplicate PA's from being issued in the future.** It will also **"clean up" legacy data** and **remove duplicate PA's from the system.** In the event that it is necessary to create replacement PA's for the eliminated duplicate PA's, Providers will be notified in writing and will be advised to re-bill for services covered by the new PA.

Summary

In summary, it is not anticipated that providers will be required to change how their claims are submitted as a result of these initiatives. The only exception to this is for Anesthesiology Providers who are using a "22" modifier as a work-around for manual processing of claims. These providers should continue using the "22" modifier until they are specifically notified by MaineCare not to do so. This is anticipated to occur sometime in February 2008.

For any further questions, please contact Provider Services at 1 (800) 321-5557, Option 9 or visit our **News and Provider Meetings** web site at http://www.maine.gov/bms/member/innerthird/news_page.shtml.